

## Predatory Pricing in Transport Sector: Case Study of the STUDENT AGENCY, s.r.o.

### Abstract

This paper deals with predatory pricing in transport sector. A situation when one company sells its product at a very low price, intending to illegally drive competitors out of the market. Aim of this paper is to discuss mentioned issues in transport sector and to explain methods of solving predatory cases according to the newest guidelines of the European Commission, national competition authorities and national courts. Market delineation, dominance determination and predation cost analysis is discussed. Not only theoretical aspect of predatory behaviour and its impact on competition but also a detection of predatory pricing by authorities is discussed. Special attention to the specifics of transport sector is given. The core of this paper is an analysis of STUDENT AGENCY, s.r.o. case from year 2008, when mentioned company was accused of predatory pricing on their bus line Praha-Brno.

**Keywords** predatory pricing, antitrust, competition, relevant market, dominance, transportation, SS-NIP test, Reverse Cellophane Fallacy, Office for the Protection of Competition, STUDENT AGENCY, s.r.o.